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New Jersey. Legislature.

Report of the majority of  
the Committee to whom...

Trenton

1842

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# REPORT

OF THE

## MAJORITY OF THE COMMITTEE

TO WHOM WAS REFERRED THAT PART OF THE MESSAGE OF

HIS EXCELLENCY THE GOVERNOR,

RELATING TO BANKS,

AND THE

### RESUMPTION OF SPECIE PAYMENTS.

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READ IN COUNCIL, JANUARY 14, 1842—AND ORDERED TO  
BE PRINTED.

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**TRENTON:**

PRINTED BY JUSTICE & MILLS,

[Printers to Council.]

1842.

## REPORT.

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The majority of the Committee to whom was referred that part of the Message of His Excellency the Governor, relating to Banks and the resumption of specie payments, beg leave to Report—

That they consider the subject one of intense interest, not as regards this, or that particular bank, but as coming home to every individual in society, and involving the future prosperity of the whole community. Thus impressed, they feel themselves constrained to examine,

1st. The nature and character of the currency anterior to the ratification of the Constitution.

2d. The charge thereby induced.

3d. The banking system as now constituted—its agreement with, or dissonance to fundamental republican principle; and finally, the justice, propriety, or expedience of compelling the banks of West Jersey to resume specie payments.

The primitive business transactions of this Western land were carried on by barter—Wampum, Corn, and Tobacco, being (from time to time) assumed as standards of value, and ere the Colonies had increased sufficiently to require much coin, as a circulating medium—specie flowed in in abundance from the West Indies and South America; but however abundant may have been its importation, it was soon discovered that its exportation was equally abundant, and that some plan was needed to restrain its outward flight. This was attempted by raising its official value. Thus, in 1645, Virginia proclaimed the dollar worth six shillings; North-Carolina, four shillings and six pence; South-Carolina and New-York, eight shillings; Maryland, Pennsylvania and New-Jersey, seven shillings and six pence—the residue fixing their estimate in accordance with the opinion respectively formed. These nominal distinctions have continued to this day—but the experiment failed. Merchants raised proportionately the price of their goods, confusion in dealing followed, and the laws of Nature counteracted the laws of the land, until at length, in 1690, paper money issues commenced—Massachusetts leading the van, the other Colonies following suit, as their wants and exigencies re-

qu red. This must be considered as the origin of paper money in this country.

In the beginning, each issue was accompanied with the levy of an adequate tax for its redemption, the surplus (if any) loaned to individuals on equivalent landed or personal security, and when thus guarded, seldom deteriorated. But as time rolled on, and financial wants and difficulties increased, they expanded, and due precautionary measures for their liquidation not being always adopted, they depreciated, and before their conversion into public stock (1789,) sunk so low, that one dollar in specie, would purchase one thousand of this paper money circulation.

In 1774, a new fountain of issues opened, viz:—The confederated Congress—this, united to those of the individual colonies, increased materially the stream; but however vast its capacity, the requirement of the times rapidly absorbed it, and explains the cause of its vast extension.

From these data, it appears, that colonial and confederation governmental paper issues constituted the principal currency from 1693, to the the revolution, and in fact to the organization of the present government: for, altho' coin occasionally mingled in the circulation during the latter years of that contest, yet it was not in sufficient quantity to change materially its character, and domestic Banks were (comparatively speaking) unknown. For from the commencement of paper money currency, (1690 to 1789) three Government Banks only are noticed—one in South Carolina, 1712—one in Massachusetts, 1740, and the Bank of North America, 1782; and altho' a few joint Companies may have existed, they were of little moment, in modifying the character of the circulation.

It has been said, that the Bank of North America afforded us essential aid in our day of trial; but the fact of its not commencing operations until 1782, months after the capture of Cornwallis, at York Town, the triumphant close of that glorious struggle refutes it. We must therefore conclude, that the main circulating medium, anterior to the ratification of the Constitution, was government paper—paper based on public credit—public authorities amenable for its redemption. Yet if we can believe historic record, it was constantly fluctuating, constantly expanding and contracting, and constantly depreciating, and the calamity, distress and ruin, thence arising, extreme. The picture has been faithfully drawn by the historians of the day, and to that picture we refer for all necessary information. We pass on to a more pleasing task, a sketch of the plan pursued by the patriots of the period, to annihilate the evil, and restore prosperity and happiness to a suffering people.

Experience having shown the power of the confederation insufficient, to provide ways and means for the liquidation of the public debt, extinction of paper money, and removal of other existing evils; re-organization was called for and effected.

A Constitution based on the principles of the Declaration of Independence, was framed by State delegates—its provisions enacted by State votes, each State having one vote, and finally ratified by separate State Conventions. It was intended to regulate and govern foreign relations, cement the States in fraternal union, annihilate paper currency, establish a metallic circulation, restore lost credit, and afford protection from the ruinous effects of combinations, associations and monopolies.

It possessed no power to grant acts of incorporation, no authority to charter monied institutions; but it possessed both power and authority to declare nothing but gold or silver, legal tender in payment of debts, and to prohibit all and every State from issuing bills of credit—and in furtherance of these provisions, for the annihilation of paper money, restoration and permanent establishment of metallic currency. The first Congress convened under its auspices, directed the conversion of existing paper issues into public stock, at par, redeemable with interest, at a designated time, and specie the only kind of money receivable in payment of revenue, or debts due the government—thus affording evidence as strong, as "proof direct from Holy writ," of their conviction of the ruinous effect of paper money, their fixed determination to annihilate it and prevent its revival.

Yet, on such fragile base does human judgment sometimes rest—on such minute points do law and equity sometimes separate—and so eager are wicked and designing men to seize every such separation, and turn it to their individual benefit, at the sacrifice of just and righteous principle, that a solitary aberration of judgment, a decision of law against equity, produced the most unpleasant result. The indiscriminate funding of the soldiers certificates—drawing no line of demarcation between the original holder and the purchaser, was, in our humble estimation, a case in point. Here, Sages, Philosophers and Statesmen, in their anxiety to fulfil the obligations of law, lost sight, it would seem, of equity, and became the blameless cause of much evil—evil, which might have been easily remedied, had it not been grasped by mischief, and made subservient to avaricious or iniquitous purposes.

This act thwarted materially the fulfilment of the wise and salutary measures antecedently enacted, to annihilate paper currency; and like a noxious weed, poisoned the harvest expected to be reaped

from the growth of the genial seed, sowed broadcast over the land at the preceding session of Congress. By its malign influence, the war-worn veteran, who had risked health, wealth, and life, to fill the measure of his country's glory, was left to eke out the remainder of his days in penury and want; whilst those who had never bared their breasts to the storm, or ever heard a bullet whistle, were enabled "to dress in purple and fine linen, and fare sumptuously every day" on the fortunes realized by these unrighteous purchases.

The stratagem, intrigue and deception, used to effect the purpose cast a deep shade over the history of those days. The soldier sickening with hope deferred, despairing of his Country's justice—anxious to prevent himself and his family being thrown on the world's cold charity for support, or compelled to seek parochial aid in an unguarded and desponding moment, parted with his evidence of debt for a song, thereby depriving himself of the means of obtaining that solid comfort his infirmities and declining years so imperiously demanded—enabling those, in whose bosoms philanthropy and patriotism never dwelt, to enjoy the reward and recompense, hallowed devotion so richly merited.

But the evil did not rest here, for these cormorants, not satisfied with the pillage thus obtained, in unison with others of similar stamp, who had likewise speculated (not in these certificates, but in depreciated paper issues) ceased not their importunities, until by bargaining, intrigue and management, misrepresentation and deception, they had embodied a phalanx that was essentially instrumental in obtaining the charter of the first United States Bank, three-fourths of whose capital was funded stock—thus bringing into immediate profitable use, the fruits of their unhallowed speculations.

We are fully aware of having assigned power to an association of speculators, far beyond what is believed they possessed. It may be so—but the unprejudiced investigator of the whole train of events connected with the procurement of that charter will discover, we will not say "a power behind the throne more powerful than the throne itself"—but a power that worked in season and out of season—a power, that by good report, and by evil report, effected more, much more, than superficial observation would conceive practicable, or posterity is disposed to grant it.

It has been triumphantly proclaimed as an offset to every suggestion of this Charter having been obtained by unrighteous combinations—that its creation was immensely advantageous to the Union, and its whole career one of unblemished integrity—that it was patronized and advocated by the Father of his Country, the immortal

Washington, and a host of contemporary sages and statesmen. We yield cordial assent to the faithfulness of its administration, and to the fact, that very few losses or defalcations occurred, during its existence; but to the opinion of its creation being so immensely advantageous, we humbly demur; and to the assertion, that the immortal Washington was its patron and advocate, we must dissent. We admit that he signed the bill; but his conduct on that occasion evidences much doubt and uncertainty—the sanction was not given with his usual promptness and decision. He required from each of his Cabinet a written opinion, and some days elapsed after receiving their opinion ere it, received his final approbation. But whatever view he took, was patriotic—no sinister impulse ever moved him in hostility to his country's welfare.—His decision decided thousands—aye, tens of thousands followed directly in his wake, without investigating the subject, from the unbounded confidence they placed in him.—He and they looked with anxious eye to immediate anticipated benefit; they saw in its creation a vast engine, that might be brought into direct operation for the restoration of public credit; they saw not so vividly as others did, the injury, devastation and ruin, resuscitation of paper money would ultimately induce. But prophetic sages\* there were, even at that day, who foresaw and foretold the result, and who exerted their utmost power to prevent it, and who would probably have prevented it, had it not been for the mighty phalanx of speculators and stock-jobbers before named, who through the Bank and the Banking System, saw golden visions rise to their enraptured sight—splendid schemes of deception realized by its fallacious action. Of the thousands who upheld it from conscientious conviction of its public utility—and more especially of the Sage, Hero and Statesman, "first in war, first in peace, and first in the hearts of his countrymen," who befriended it—we would ever speak with the most devoted respect, and treat his and their opinions with all due deference, and with every feeling of reverence they are entitled to, as opinions based upon enthusiastic anticipations of advantage, outweighing every future injury that could accrue from its adoption.

But we still believe, that if none but the honest friends of the measure had advocated its creation, its enemies could and would have satisfied them of the ultimate injury the revival of paper money, through its influence, must produce; and have frustrated its creation; but, as before remarked, we have every reason to believe

\* Jefferson and his co-patriots.

that those who had the immediate management of its affairs were upright men—men that adhered strictly to their vested rights—and that during its existence few losses or defalcations occurred.

Our serious objections rest on other grounds. We condemn its creation, because it stood upon no direct constitutional power, but was called into being by inference, implication, and forced construction only; that its privileges were in direct contravention of fundamental republican doctrine—the very antipode of equality of right and privilege, our boast and glory; that it cast to the winds the zealous efforts of antecedent statesmen to annihilate paper money and establish a metallic circulation—opened the door for the re-entrance of paper currency, with its train of calamitous sequents, and established a precedent universally appealed to as authority and justification for the creation of the innumerable progeny now ramified through the land.

The chartering of the first Bank of the United States may be considered almost as much the origin of Banks and the Banking system in this country, as the issue of 1690 was the origin of governmental paper money in the respective colonies, and as constituting a new era in the currency of the land, deserving particular attention and investigation; for, although government paper issues, and joint stock company bank notes, stand on different basis, emanate from different grades of power, they have both proved disastrous and ruinous to the bulk of society.

Banks, as established in the United States, are Banks of both discount and deposit—temporary creations of legislative bodies—forming joint stock companies—they are intended to be based on specie capital, divided into shares—generally owned by individuals alone, but occasionally by individuals and governments combined; in such cases, the government stands in the same light as private stockholders. Of the immense number chartered since 1790, two only have been created by Congress, (both now defunct) the residue by the respective States.

That the United States Government possesses no direct power to grant bank charters, is indisputable. The most devoted friends of such institutions have never claimed it; it is from inference and implication alone they deduce the right. That the State Governments possess the power, may be conceded—although their relinquishment of the privilege of issuing bills of credit would seem to cast a deep shade over the spirit, if not the letter, of the right—but whether either or neither enjoy the right is immaterial. For it is notorious, every bank charter is a violation of fundamental republi-

can doctrine—subversive of those sacred rights our forefathers risked “their lives, their fortunes, and their sacred honor,” to maintain.

Every bank charter bestows the privilege of issuing promissory notes to twice or thrice the amount of its specie capital—loan those notes at legal interest, receive the interest in advance, protects the private property of the stockholders from liability for payment of the notes thus issued, and of any and all debts the Company may contract—allows them to prosecute any person owing them, sell his whole estate, and if that is not sufficient, seize and imprison his body, and permits them to refuse receiving their own notes in payment of debts due them. It is, therefore, evident, that every Bank charter is a violation of constitutional privilege, impairing the validity of contracts, destroying the inherent rights of man, raising up amongst us a distinct race—a nobility of wealth, that must, if permitted to progress unchanged, annihilate the principles acquired at the sacrifice of so much blood and treasure.

The power thus obtained, in our estimation, enables the few to rule the many, enrich themselves at the expense of the community, and undermine the real happiness of all.

Individuals are allowed to loan their surplus funds for 6 per cent. per annum only; if they attempt to obtain more, they risk the loss of both principal and interest. United by a bank charter, they can realize 18 per centum with impunity. Individuals that have contracted debts, are obliged to give up the whole of their estates to pay them; and if that is not sufficient, their bodies are liable to seizure and imprisonment. United by a bank charter, they can contract debts indefinitely, and preserve not only their estates from sacrifice, but their bodies from captivity, and refuse to receive their own notes in liquidation of debts due them. These are legal privileges. The vast amount of speculation, swindling, and robbery, committed under this cloak, every day unfolds and almost every hour proclaims. The losses and defalcations caused by these fashionable financiers, are the theme of every tongue, the topic of universal conversation; and society is now tottering to its base, from the enormous losses sustained by bank explosions.

Our Constitution and Laws stand upon the broad foundation of equality of right and privilege; they announce to the world their intention to support and maintain the rights of man; yet in almost every village chartered institutions exist, prostrating in the dust democratic principle, enabling the few to govern the many, and destroying that independence of action and feeling that ought to characterize American citizens.



Yet thousands, aye, tens of thousands, pronounce them the main cause of wealth and prosperity—the bulwark of arts, commerce, and manufactures, and the cause of the wilderness blossoming as the rose.

If compelling one portion of society to pay their just debts and exempting another, be the cause of wealth and prosperity, Banks are the cause. If permitting one portion of society to realize 18 per cent., and restricting the residue to 6 per cent., is the bulwark of arts, commerce, and manufactures, Banks are that bulwark. In fine, if encouragement and protection of institutions that destroy the political rights of man, is our policy and duty, then must we discard the advice and precepts of the sages that declared us free, sovereign, and independent States, and rally around the standard of bank speculators and modern financiers.

The opinion that Banks increase the wealth of a nation, is utterly fallacious; they may, and do, enrich the *few*, at the expense of the *many*; raise up certain locations on the destruction of others; build a palace here, and demolish cottages elsewhere. But the idea of their increasing general wealth is, and must be, discarded; they create a taste for speculation, extravagance, and luxury, incompatible with the durability of sound republican government, and are injurious to us as a free people.

We have thus, as concisely as the importance of the subject would admit, detailed the character of the circulating medium of this country from an early day to the present time. From that sketch it will be perceived that paper money has been predominant; that, anterior to the revolution, and, in fact, to the ratification of the present constitution, it was issued by the authority of government—and although protected by its power, was constantly fluctuating, constantly expanding and contracting, and constantly depreciating, until its calamitous effects produced an almost universal bankruptcy. The wide-spread ruin produced by this inefficient currency, was one essential cause of the formation of the constitution.

In that instrument, the most effectual provisions were inserted to establish a metallic circulation and exterminate paper money. These provisions, together with the enactments of the first Congress, it was hoped would have completely annihilated it; but, in an unguarded moment, the door for its revival in another shape was opened, and bank notes have obtained universal sway—sweeping gold and silver from circulation.

"That in this 'land of the free, and home of the brave,' a system should exist and flourish, deadly hostile to the rights of man, is a

melancholy reflection; still more melancholy that it should have so amalgamated and entwined itself into all our business relations, and acquired such ascendancy over us, as to render any and every attempt to abridge its influence, or curtail its practised usages, dangerous. And what is still more melancholy, is the infatuation so generally prevailing: that it is the main cause of our rapid progress in internal improvement, the powerful adjuvant of civilization and refinement, and the efficient agent in enabling us to compete with the civilized world in many branches of arts and science, literature and manufactures. Does it not arise from the bias self-interest so often creates? preventing that deliberate examination the importance of the subject requires. For it seems almost incredible that any discerning, judicious patriot, after impartial investigation of the system, its direct and absolute contravention of fundamental republican doctrine, the disastrous effect resulting from its general operation, can laud its principles or uphold its extension.

We have been elaborate in detailing the ruinous effects of paper money, and the incompatibility of the banking system (as now constituted) with republican tenets, and we may be considered as having departed from our duty and discussed an irrelevant topic, but the analogy of ancient paper issues and modern bank notes, the intimate connection of paper currency with the welfare of our country, and the necessity of analysing the banking system, to detail the abuse of it, and judge correctly of the expediency of countenancing such abuse, (points allied to the question at issue,) must plead our apology (if any is needed,) for the course pursued.

When we speak of the injustice of the banking system, and the propriety of its essential modification, or ultimate annihilation, we wish to be expressly understood as giving an opinion in the abstract, without intending to devise the plan to effect it. This is not our province. We leave it for others better qualified to execute the requisite duty, merely remarking, that whatever mode may be adopted, it should be gradual—as all sudden changes in a commercial community are dangerous, and ought to be avoided if practicable.

We have the vanity to believe, that the Banks of New-Jersey stand on as firm foundation as any in the Union; and their departure from vested privilege has been as trivial as that of similar institutions in other States. Their annual statements, the last three years, hereunto annexed, marked (A) disclose undoubted ability to redeem all their notes in circulation, and leave a handsome surplus.

We obtain from the whole of them the information that on

	Circulation.	Discount.	Specie.
January 1, 1840,	1,415,706 06	4,896,837 43	415,997 59
January 1, 1841,	2,018,452 25	4,770,581 35	460,534 45
January 1, 1842,	1,499,144 50	5,001,585 68	479,149 38

The returns of 1840, include all the Banks in the State, at that day in operation, except the Morris Canal.

The returns of 1841, exclude the Morris Canal, and the Trenton Banking Company, who did not send their statements in time to be published with the rest.

The returns of 1842, include all the Banks, except the Morris Canal, and the Farmers' and Mechanics' Bank of New Brunswick.

From the above statements, it appears, that in 1840, the ratio of specie to notes in circulation, was 1 to 3½.

Notes in circulation to discounts, 1 to 3⅔ or thereabouts.

1841, the ratio of specie to circulation, 1 to 3½ and a fraction.

Circulation to discounts, 1 to 2 and a fraction.

1842, specie to circulation, 1 to 3 and a fraction.

Circulation to discounts, 1 to 3 and a fraction.

There appears considerable difference in the relative condition of the specie and non-specie paying. [See document marked B.]

#### NON-SPECIE PAYING.

	Circulation.	Discount.	Specie.
Jan. 1, 1840,	858,161 00	1,470,498 00	166,206 00
Jan. 1, 1841,	1,280,930 00	1,781,693 00	209,731 00
Jan. 1, 1842,	797,949 50	1,620,412 60	179,949 51

#### SPECIE PAYING.

Jan. 1, 1840,	557,545 06	3,266,144 45	249,781 59
Jan. 1, 1841,	737,522 25	3,088,888 35	271,803 45
Jan. 1, 1842,	701,195 00	3,381,173 08	299,199 87

From these data, the non-specie paying—evidence the following ratio:

1840—Jan. 1, specie to circulation,	\$166,216, to 858,161
or about	1 to 5
Circulation to discount,	858,161 to 1,470,493
or about	1 to 1½
1841—Jan. 1, specie to circulation,	209,731 to 1,280,930
or about	1 to 6 and a fraction.
Circulation to discount,	1,280,930 to 1,781,623
or about	1 to 1½

1842—Jan. 1, specie to circulation,	179,949 51 to 737,949 50
or about	1 to 4½
Circulation to discount,	737,949 50 to 1,620,412 60
or about	1 to 2 and a fraction.

From the specie paying, evidence the following, from the same data—

1840—Jan. 1, specie to circulation,	249,781 59 to 557,545
or about	1 to 2½
Circulation to discount	557,545 00 to 3,266,144 00
or about	1 to 5 4-5
1841—Jan. 1, specie to circulation,	271,803 45 to 737,522 25
or about	1 to 2¾
Circulation to discount,	737,522 25 to 3,088,888 34
or about	1 to 4 and a fraction.
1842—Jan. 1, specie to circulation,	299,199 87 to 701,195 00
or about	1 to 2½
Circulation to discount,	701,195 00 to 3,381,173 08
or about	1 to 4¾

It is well known that the Banks in East Jersey, at this time, redeem their notes in specie—the West Jersey Banks refuse—governed, as they inform us, by the Banks of Pennsylvania. They say the moment they are compelled to redeem their notes in specie, their business must end, as every note they might issue would be immediately purchased by the Brokers, and returned to them; and that this state of things will continue until the Banks of Philadelphia resume. This may be, and probably is, perfectly correct; but is it sufficient reason for us to legalize this abuse of chartered privilege? What would we say to an individual asking us to release him from the payment of his debts because the citizens of another State did not pay theirs? Would he be tolerated one moment? Shall we sanction violation of law in Companies, and enforce it on individuals? We trust not. It is our duty to protect these institutions in the exercise of their vested rights, however unjust these rights may have been, or however incompatible with republican doctrine. Their exercise was guaranteed them on certain conditions, and so long as they fulfil these conditions they must be protected; but when they infringe them, they ought to suffer. To exonerate them from the payment of their debts, and permit individuals to be immolated for similar acts, would be the very acme of injustice, and ought not to be tolerated a moment; but "the safety of the people is the supreme law." If a portion of the people, from their indebtedness to the banks, demand

a different course, it becomes a matter of grave consideration whether we can relieve them without inflicting greater injury upon the residue differently circumstanced. It appears from their annual statements, before alluded to, marked A. and B. that the people of this State owe the Banks about four dollars for every dollar the Banks owe them; but in East Jersey, where this indebtedness of the people to the Banks is the heaviest, they and the Banks unite (so far as we can learn) in asking for general resumption; whereas, in West Jersey, where the indebtedness of the people is not near as great, there is much opposition to the measure. It may be difficult to solve this fact, or reconcile it with one of the most potent reasons given by the enemies of resumption against it; but to our minds it speaks volumes in favor of redemption, and so we must construe it. Your Committee believe, that both duty and justice demand a resumption of specie payment; but to prevent the evil sudden changes are apt to produce in a business community, and at the same time, enable the people to meet their engagements, they offer a bill, marked C., to Council, for their consideration and adoption, which proposes a gradual resumption, leaving the respective periods of redemption for the wisdom of the Legislature to decide.

They would likewise suggest the expedience of a law, prohibiting the circulation of foreign Bank notes, under five dollars, to take effect simultaneously with the resumption, as it would prevent the influx of shin plasters, and worthless trash, so much dreaded by the enemies of the measure, as one of the indisputable results of the passage of the law.

Your Committee cannot close this report without most strenuous recommendation the adoption of such measures as will gradually but effectually produce a radical change—a total annihilation of the present Banking System—resuscitate the patriotic design of the framers of the Constitution, and the representatives of the first Congress—to restore a metallic currency, the only safe and permanent circulating medium Republicans can consistently sanction.

JOHN LILLY,  
HENRY VAN NEST.

COUNCIL CHAMBER, January 21, 1842.

DOCUMENTS.  
January 1, 1840.

	CIRCULATION.	DISCOUNT.	SPECIE.	CAPITAL.
- Belvidere Bank	64,408 00	123,179 47	20464 21	85,450
- Burlington County Bank, Medford,	28,357	87,197 69	10731 84	70,000
- Commercial Bank, Perth Amboy,	10,122	43,088 65	1766 80	30,000
- Cumberland Bank, Bridgeton,	98,280	123,295 00	16241 00	52,025
- Farmers' and Mechanics' Bank, Rahway,	24,326	138,651 96	10873 78	130,000
- Farmers' and Mechanics' Bank, Trenton,	33,209	134,198 84	12836 55	124,000
- Farmers' and Mechanics' Bank, New Brunswick,	36,591	64,298 87	8393 90	68,220
- Farmers' and Mechanics' Bank, Middletown Point,	16,378	43,428 04	2085 71	95,000
- Farmers' Bank, Mount Holly,	63,725	140,314 00	14399 00	100,000
- Mechanics' Bank, Newark,	73,416	500,679 95	30725 77	500,000
- Mechanics' Bank, Burlington,	18,147	61,304 38	14774 64	40,000
- Morris Canal Bank, Morristown,	18,147	89,521 24	4343 78	80,230
- Newark Bank and Insurance Company,	12,187 50	637,261 40	42222 75	508,050
- Newark Bank, Orange,	33,288 50	109,615 21	4894 35	103,500
- New Hope and Delaware Bridge Co., Lambertville,	40,215	231,677 00	10033 02	75,000
- Peoples' Bank, Paterson,	33,288 50	92,819 52	6109 62	90,000
- Princeton Bank, Princeton,	46,302	182,530 25	15333 93	200,000
- State Bank, Elizabeth,	25,030	273,107 05	15391 17	200,000
- State Bank, Morris,	31,079	149,958 07	2946 07	400,000
- State Bank, Newark,	265,272	430,571 64	33428 47	100,000
- State Bank, Camden,	62,915	362,648 00	39152 00	118,125
- State Bank, New Brunswick,	41,735	124,827 00	17992 00	200,000
- Sussex Bank, Newton,	97,985	84,820 28	28925 55	67,500
- Salem Bank, Salem,	58,000	139,885 86	20094 20	75,000
- Trenton Banking Company,	34,182	264,375 00	21523 00	210,000
- Union Bank, Dover,		71,573 05	8049 00	50,000
	\$415,706 05	\$4,836,896 43	\$415,997 59	

DOCUMENTS.  
January 1, 1841.

	CIRCULATION.	DISCOUNT.	SPECIE.	CAPITAL.
Belvidere Bank,	19,159 00	98,093 30	19641 58	85,720
Burlington County Bank, Medford,	55,690	108,237 30	41790 21	70,000
Commercial Bank, Perth Amboy,	13,605	42,655 05	2375 99	50,000
Cumberland Bank, Bridgeton,	163,814	136,634 00	15778 00	52,025
Farmers' and Mechanics' Bank, Rahway,	23,724	155,463 79	6906 17	130,000
Mechanics' and Manufacturers' Bank, Trenton,	105,460	154,201 42	25204 26	124,086
Farmers' and Mechanics' Bank, New Brunswick,	95,641 50	103,472 42	11846 81	68,220
Farmers' and Mechanics' Bank, Middletown Point,	24,858	48,803 02	2652 60	25,000
Farmers' Bank, Mount Holly,	72,438 75	154,555 30	12673 79	100,000
Mechanics' Bank, Newark,	51,335	548,794 04	25968 46	500,000
Mechanics' Bank, Burlington,	91,079 50	82,253 44	16352 69	400,000
Morris Canal Bank, Morristown,	30,547	95,026 77	3927 20	51,000
Newark Bank and Insurance Company,	103,064 56	629,379 90	47228 50	508,650
Orange Bank, Orange,	17,022 50	106,538 82	5884 08	102,500
New Hope and Delaware Bridge Company, Lambertville,	168,640 50	345,501 63	8018 08	319,472
Peoples' Bank, Paterson,	59,000	105,658 91	10206 50	75,000
Princeton Bank, Princeton,	153,844	198,155 95	25240 73	90,000
State Bank, Elizabeth,	93,982	270,197 14	15945 50	200,000
State Bank, Morris,	47,115	127,082 69	4190 15	100,000
State Bank, Newark,	45,314	432,403 15	30826 72	400,000
State Bank, New Brunswick,	88,157	142,571	31829	118,250
State Bank, Camden,	380,902	140,325	40695	200,000
Sussex Bank, Newton,	69,861	86,885 54	33531 81	68,000
Trenton Banking Company, Trenton,	32,525	66,417 94	6575 36	50,000
Union Bank, Dover,	112,154	110,453 61	16910 26	78,000
Salem Bank, Salem,				
	\$2,018,452 25	\$4,770,581 35	\$460,534 46	

DOCUMENTS.  
January 1, 1842.

	CIRCULATION.	DISCOUNT.	SPECIE.	CAPITAL.
Belvidere Bank,	20,627	92,611 88	27364 20	85,720
Burlington County Bank, Medford,	20,220	106,253 71	14383	70,000
Commercial Bank, Perth Amboy,	18,109	45,558 44	3810 65	50,000
Cumberland Bank, Bridgeton,	64,006	98,598	21325 00	32,025
Farmers' and Mechanics' Bank, Rahway,	39,716	180,927 77	5777 37	130,000
Mechanics' and Manufacturers' Bank, Trenton,	69,996	154,061 86	22440 08	124,086
Farmers' and Mechanics' Bank, New Brunswick,	36,573	55,955 65	3872 00	68,220
Farmers' Bank, Mount Holly,	49,230 50	144,016 28	14424 06	25,000
Mechanics' Bank, Newark,	56,726	582,439 81	31988 78	100,000
Mechanics' Bank, Burlington,	49,204	92,236 86	17411 89	500,000
Morris Canal Bank, Morristown,	29,156	94,897 79	6120 74	400,000
Newark Bank and Insurance Company,	94,595	624,962 91	41887 70	51,000
Orange Bank, Orange,	20,970 50	110,682 86	5120 94	508,650
New Hope and Delaware Bridge Company, Lambertville,	146,523 00	350,863 13	4180 28	102,500
Peoples' Bank, Paterson,	50,202	107,869 77	11426 71	319,472
Princeton Bank, Princeton,	97,914	167,887 76	23351 01	75,000
State Bank, Elizabeth,	55,618	280,453 32	22096 07	90,000
State Bank, Morris,	48,416	128,628 39	4082 81	200,000
State Bank, Newark,	49,558	403,007 61	29358 50	100,000
State Bank, New Brunswick,	121,637 50	164,390 18	30935 01	400,000
State Bank, Camden,	208,345	407,688	45861	118,250
Sussex Bank, Newton,	67,704	98,271 73	27503 85	290,000
Trenton Banking Company, Trenton,	67,263	270,456	63065 00	68,000
Union Bank, Dover,	34,134	75,657 99	7820 14	210,000
Salem Bank, Salem,	82,231	98,807 99	17087 59	50,000
	\$1,499,144 50	\$5,001,585 68	\$470,149 38	78,000

[ A ]

[ B ]

## WEST-JERSEY BANKS.

## January 1, 1840.

	CIRCULATION.	DISCOUNT.	SPECIE.
Cumberland Bank, - - -	98,289 00	113,295 00	16,241 00
Burlington County Bank, - -	25,357 00	87,197 00	10,731 00
Farmers' Bank, Mount Holly, - -	63,715 00	140,314 00	14,399 00
Mechanics' Bank, Burlington, - -	73,416 00	61,304 00	14,474 00
New Hope and Delaware Bridge Co.	40,215 00	229,059 00	10,063 00
State Bank, Camden, - - -	265,272 00	362,648 00	39,162 00
Salem Bank, Salem, - - -	97,985 00	139,885 00	20,694 00
Princeton Bank, Princeton, - -	84,452 00	182,530 00	15,338 00
Mechanics & Manufact'rs Bank, Trenton	105,460 00	154,261 00	25,204 00
	\$858,161 00	1,470,493 00	1,662,16 00

## January 1, 1841.

	CIRCULATION.	DISCOUNT.	SPECIE.
Cumberland Bank, - - -	163,814 00	136,534 00	15,778 00
Burlington County Bank, - -	53,600 00	108,237 00	40,736 00
Farmers' Bank, Mount Holly, - -	72,438 00	154,555 00	25,204 00
Mechanics' Bank, Burlington, - -	95,641 00	163,472 00	11,846 00
New Hope Delaware Bridge Company,	166,040 00	346,501 00	8,118 00
State Bank, Camden, - - -	359,942 00	410,526 00	40,395 00
Salem Bank, Salem, - - -	112,154 00	110,453 00	16,910 00
Princeton Bank, Princeton, - -	155,841 00	198,155 00	23,640 00
Mechanics & Manufact'rs B'k, Trenton	105,460 00	154,261 00	25,204 00
	\$1,280,930 00	1,781,693 00	209,731 00

## January 1, 1842.

	CIRCULATION.	DISCOUNT.	SPECIE.
Cumberland Bank, - - -	64,606 00	98,598 00	21,325 00
Burlington County Bank, - -	29,220 00	106,253 71	14,338 00
Farmers' Bank, Mount Holly, - -	49,230 50	144,016 28	14,424 06
Mechanics' Bank, Burlington, - -	49,204 00	92,236 86	17,411 89
New Hope and Delaware Bridge Co.,	146,523 00	350,863 13	4,180 28
State Bank, Camden, - - -	208,995 00	407,688 00	45,861 00
Salem Bank, Salem, - - -	82,231 00	98,867 00	17,087 59
Princeton Bank, Princeton, - -	97,944 00	167,887 76	23,381 61
Mechanics & Manufact'rs B'k, Trenton	69,996 00	154,061 86	23,240 08
	\$797,949 50	1,620,412 60	179,949 51

## RECAPITULATION.

The West Jersey Banks, excluding the Trenton Banking Company.			
January 1, 1840,	858,161 00	1,470,493 00	166,216 00
January 1, 1841,	1,280,930 00	1,781,693 00	209,731 00
January 1, 1842,	797,949 50	1,620,412 60	179,949 51
East Jersey Banks, excluding the Morris Canal, and including the Trenton Banking Company—specie paying.			

	Circulation.	Discounts.	Specie.
January 1, 1840,	557,545 06	3,266,144 43	249,781 59

## DOCUMENTS CONTINUED.

Sixteen Specie Paying Banks, excluding Trenton Banking Company, not received.

	Circulation.	Discount.	Specie.
January 1, 1841,	737,522 25	3,088,888 35	271,803 45
Fifteen Specie Paying Banks, the Farmers' and Mechanics' Bank at New Brunswick, having closed its doors.			
January 1, 1842,	701,195 00	3,381,173 08	299,199 87

[ C ]

AN ACT to compel the Banks of this State to resume Specie Payments.

Sec. 1. *Be it ENACTED by the Legislative Council and General Assembly of this State, and it is hereby enacted by the authority of the same,* That all the Banks and Companies, exercising banking privileges in this State, shall, on or before the day of next ensuing, resume and continue the payment of all their promissory notes of the denomination of one, two, three, and four dollars, in gold or silver, on demand; and all the said Banks and Companies shall, on or before the day of next ensuing, resume and continue the payment of all their notes of the denomination of five dollars, in gold or silver, on demand; and shall, on or before the day of next ensuing, resume and continue the payment of all their notes of whatever denomination, and the payment of all their debts, in gold or silver, on demand.

Sec. 2. *And be it enacted,* That every such Bank or Company exercising banking powers, failing to comply with the terms designated in the foregoing section, and failing to forward to the Governor of this State, or the person administering the government of the State, a certificate of compliance therewith, verified by the oath of the President or Cashier, within ten days of the time designated for each distinct resumption, especially set forth in the aforesaid section, shall go into liquidation; and it shall be the duty of the Chancellor of this State forthwith to issue an injunction against any such bank or company; and upon that notice to appoint Receivers, who shall have the same authority, and be subject to the same duties, as Receivers appointed under and by virtue of the Act, entitled, "An Act to prevent frauds by incorporated companies," passed 10th January, 1839.

Sec. 3. *And be it enacted,* That nothing in this act contained shall be construed to impair, or defeat any right, or remedy, of any person or persons, or body corporate, having any demand against any

such bank or company, to enforce the payment of the same, in as full and ample manner as though this act had not been passed.

Sec. 4. *And be it enacted*, That no such bank or company shall hereafter issue, or put in circulation, any note, bill, check, or draft, intended or calculated for circulation as a bank note, other than their own notes, and such as are payable on demand in gold or silver at the banking house of such bank or company.

Sec. 5. *And be it enacted*, That, notwithstanding this act, the Chancellor may proceed in all cases, not within the meaning and intent of this act, according to the provisions of an Act, entitled, "An Act to prevent frauds by incorporated companies," passed 10th February, 1839.

Sec. 6. *And be it enacted*, That it shall be the duty of the Governor of this State, immediately on the passage of this act, to issue his proclamation thereof, and deliver a copy of the same to the Secretary of this State; and it shall be the duty of the said Secretary to cause said proclamation to be published immediately in each of the counties of this State, in which a newspaper is printed and published: and a certified copy of said proclamation to be delivered to the President or Cashier of each such bank or company.

Sec. 7. *And be it enacted*, That this act shall go into operation on the day of the next ensuing.

**END OF  
TITLE**